Message Text

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FM SECSTATE WASHDC

TO CINCPAC HONOLULU HI IMMEDIATE

SECRETSTATE 273687

EXDIS - MILITARY ADDRESSEE HANDLE AS SPECAT EXCLUSIVE

FOLLOWING MESSAGE SENT SECSTATE WASHDC FROM BANGKOK 13 DEC 74 (131219Z DEC 74):

QUOTE S E C R E T BANGKOK 19511

EXDIS

DEPARTMENT PLEASE PASS SECDEF AND CINCPAC CINCPAC PLEASE PASS AMBASSADOR KINTNER

E.O. 11652 GDS TAGS: MOPS, TH

SUBJ: FOLLOW-UP TO VISIT BY DEPUTY SECRETARY CLEMENTS - PART III RESPONSE TO KRIANGSAK PAPER ON MILITARY ASISTANCE NEEDS

REF: A. BANGKOK 18617

- B. BANGKOK 18881
- C. TAIPEI 7174
- D. SEOUL 8259
- 1. IN OCTOBER 1 DISCUSSIONS WITH RTG MINISTER OF DEFENSE GENERAL KHRUAN AND ACTING FOREIGN MINISTER CHATCHAI, DEPUTY SECRETARY OF DEFENSE WILLIAM P. CLEMENTS UNDERTOOK TO SECRET SECRET

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RESPOND TO PAPER PRESENTED BY GENERAL KRIANGSAK CHOMANAN WITH REGARD TO FUTURE RTG MILITARY ASSISTANCE REQUIREMENTS (COPY SENT DEPT WITH LETTER BOEHM-ROBERTS DATED OCT 7, 1974).

IN ORDER PROVIDE BASIS FOR THAT RESPONSE, HOPEFULLY AT EARLY DATE, EMBASSY-MACTHAI WORKING GROUP HAS RESEARCHED PROBLEM AND MADE RECOMMENDATIONS TO DEPARTMENT REGARDING WEAPONS AND SPARE PARTS REQUIREMENTS (REF A). WE HAVE ALSO TRANSMITTED FINDINGS AS TO OPTIONS OPEN TO RTARF TO MEET INCREASED PORTION OF NEEDS BY EXISTING AND PROPOSED IN-COUNTRY AND/OR REGIONAL PRODUCTION (REF B). WASHINGTON'S RESPONSES IN THESE AREAS WILL IN EFFECT CONSTITUTE RESPONSE TO LARGE PORTION OF KRIANGSAK PAPER.

- 2. SINCE MID-60'S WE HAVE, LARGELY IN ORDER TO SECURE RTG SUPPORT FOR USG OBJECTIVES IN LAOS, CAMBODIA, AND NORTH AND SOUTH VIETNAM, SUPPLIED TO RTARF A VAST INVENTORY OF WEAPONS, VEHICLES, AIRCRAFT AND EQUIPMENT WHICH, BECAUSE OF RELATIVELY LOW DENSITY OF INDIVIDUAL ITEMS TOGETHER WITH LOW-LEVEL OF INDUSTRIAL TECHNOLOGY IN THAILAND, COULD FOR MOST PART BE SUPPORTED ONLY FROM MILITARY OR COMMERCIAL SOURCES ABROAD. AS RESULT, OPERATING AND MAINTENANCE (O&M) COSTS OVER YEARS CONSUMED INCREASINGLY LARGE INCREMENTS OF MILITARY ASSISTANCE PROGRAM EACH YEAR, REACHING ALMOST 50 PERCENT IN FY71-72 WHEN MISSION FORMULATED PLAN TO TRANSFER THESE COSTS GRADUALLY TO RTG BUDGET.
- 3. AS RESULT NEW PLANNING, FY72-73 PROGRAMS SET IN MOTION SCHEME FOR RTG TO ASSUME ALL O&M COSTS BY 1980, AND EMBASSY/MACTHAI ARE CURRENTLY TARGETTING (BUT HAVE NOT YET PUT IN PROGRAM) ADVANCING PHASE-OUT DATE TO FY 1977.
- 4. RTG WAS, OF COURSE, CAUGHT UNAWARE BY SUDDEN REDUCTION IN MAP IN FY 1973 (TO LESS THAN ONE-HALF THAT GRANTED IN FY 1973) ESPECIALLY AT TIME WHEN RTG MILITARY EXPENDITURE WAS RISING TO \$319.7 MILLION IN 1973 FROM \$218 MILLION IN 1970 AND \$93.9 MILLION IN 1965. IN THAT SITUATION, SHARP REDUCTION IN FY73 AND FY74 MAP ALLOCATIONS RESULTED IN CUTS IN O&M AS WELL AS INVESTMENT FUNDING. IT WAS IN THIS CONTEXT THAT DEFMIN KHRUAN AND ACTING FONMIN CHATCHAI (A) ASKED DEPUTY SECRETARY CLEMENTS FOR ASSISTANCE IN SECURING SPARE PARTS AS WELL AS ADDITIONAL AND REPLACEMENT SECRET

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WEAPONS (DESPITE FACT THAT O&M COSTS ACCOUNT FOR ALMOST 30 PERCENT OF FY75 MAP, DEPOT SHELVES ARE NEARLY BARE), AND (B) STRESSED NEED FOR HELPING RTARF BECOME MORE SELF-SUFFICIENT IN PRODUCTION OF WEAPONS, AMMUNITION, AND SPARE PARTS.

5. OBVIOUSLY SELF-SUFFICIENCY OBJECTIVE RUNS COUNTER TO FACT THAT SOME WEAPONS AND EQUIPMENT SOUGHT BY THAIS CANNOT BE SUPPORTED COST-EFFECTIVELY BY THE THAI INDUSTRIAL BASE WITHIN FORESEEABLE FUTURE. HOWEVER, WE CAN PUSH THE RTARF TOWARD GREATER SELF-SUFFICIENCY IN MANY IMPORTANT AREAS,

AND IN THAT WAY HOPE TO COMPENSATE FOR CERTAIN BUILT-IN O&M ITEMS WHICH MUST BE OBTAINED ABROAD (WHETHER AS GRANT AID OR BY PURCHASE).

6. AGAINST FOREGOING BACKGROUND, PARAS 7-10 SET FORTH EMBASSY/MACTHAI RECOMMENDATIONS FOR USG RESPONSE TO KRIANGSAK PAPER.

7. WE THINK IT INADVISABLE TO REPLY TO THE ENTIRE KRIANGSAK LETTER POINT-BY-POINT, SINCE THIS WOULD NECESSITATE SAYING "NO," OR MISLEADING THE THAIS, ON SUBJECTS ON WHICH IT WOULD BE MORE PRUDENT FOR US SIMPLY TO REMAIN SILENT. ALSO SOME ASPECTS OF THE LETTER ARE REPETITIVE, AND BEST DEALT WITH IN SINGLE RESPONSE. FOR EXAMPLE, MUCH OF IT DEALS WITH O&M COSTS FOR VARIOUS ARMED SERVICES, UNDER INDIVIDUAL SERVICE HEADINGS. WE SUGGEST THAT RESPONSE HERE BE LIMITED TO AN UNDERTAKING TO ALLOCATE SIGNIFICANT PORTION OF AVAILABLE MAP TO O&M COSTS IN FY 75 AND FY 76, BUT MAKE CLEAR THAT IT IS ESSENTIAL THAT THE RTARF MOVE PROMPTLY TO IMPLEMENT PLANS TO PHASE O&M DOWN AND OUT SO FAR AS MAP IS CONCERNED.

8. RESPONSE COULD PROVIDE AS RATIONALE FACT THAT MAP FUNDS ARE BEING REDUCED AS RESULT US DOMESTIC AND INTERNATIONAL NEEDS, WITH RESULT THAT USG IS MOVING WORLD-WIDE TO GET OUT OF O&M AREA IN FAVOR OF INVESTMENT ITEMS IN SECURITY ASSISTANCE PROGRAMS, ADDING THAT ORIGINAL USG CONCEPT ENVISIONED ASSUMPTION OF INCREASINGLY LARGE SHARE OF DEFENSE BURDEN BY ALLIES WHOSE ECONOMIES DEVELOP AT THE PACE AND LEVEL EVIDENT IN THAILAND OVER LAST DECADE, AND PARTICULARLY IN LAST FIVE YEARS. SECRET SECRET

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- 9. IN RESPONSE TO THE REQUEST FOR SUPPORT FOR "HUMANITARIAN" AND MEDICAL ASSISTANCE PROGRAMS TO "IMPROVE US IMMAGE" AS WELL AS TO ENLARGE POOL OF RTA MEDICAL SKILLS, IT APPEARS THAT WITH LIMITED MAP FUNDS AVILABLE, IT WILL BE UP TO RTARF TO DECIDE ON PRIORITY TO BE ACCORDED SUCH ASSISTANCE IN COMPETITION WITH OTHER OBJECTIVES. NEVERTHELESS, WE CAN ENVISION OTHER CHANNELS THROUGH WHICH SUCH OBJECTIVES MIGHT BE ACCOMPLISHED:
- (A) PARTICIPATION (MAINLY FUNDING) IN MEDICAL CIVIC ACTION OR TRAINING PROGRAMS MIGHT APPEAL TO UK, AUSTRALIAN AND NEW ZEALAND COLLEAGUES IN SEATO; USG WOULD BE PREPARED TO SUPPORT RTG RECOMMENDATION THAT SEATO UNDERTAKE SUCH PROGRAMS:
- (B) USOM HAS INFORMED RTG HEALTH MINISTRY THAT LOANS AT CONCESSIONAL RATES MIGHT BE AVAILABLE FOR TRAINING AND DEPLOYMENT OF PUBLIC HEALTH WORKERS IN RURAL AREAS, DEPENDING ON SIZE AND NATURE OF PROGRAM;
- (C) NINE OIL COMPANIES, MOSTLY US, PROSPECTING IN GULF OF SIAM HAVE ALL ESTABLISHED, AS PART OF CONCESSION

AGREEMENTS WITH RTG, SCHOLARSHIP FUNDS TOTALLING SEVERAL MILLION DOLLARS FOR TRAINING THAI STUDENTS IN ALL DISCIPLINES AT UNIVERSITIES IN THAILAND AND ABROAD. RTA COULD TRAIN ADDITIONAL MILITARY DOCTORS IN EXISTING UNIVERSITIES, USING THESE SCHOLARSHIP FUNDS, MOST OF WHICH ARE ADMINISTERED BY RTG. IN INSTANCES WHERE OIL COMPANIES ADMINISTER SCHOLARSHIP PROGRAMS, USG WOULD BE PREPARED TO URGE US FIRMS TO SELECT REASONABLE NUMBER OF MILITARY CANDIDATES TO PURSUE MEDICAL STUDIES EACH YEAR.

10. IT IS EVIDENT, HOWEVER, THAT SOME PARTS OF LETTER MUST BE ANSWERED IN GREATER DETAIL. WE HAVE KEYED PROPOSED RESPONSES TO SPECIFIC PARAGRAPHS OF KRIANGSAK LETTER FOR READY INDENTIFICATION, BUT SUGGEST THAT FORMAL RESPONSE TO RTG NOT USE SUCH FORMAT.

A. BEGIN QUOTE

5.2.1.2. A NEED EXISTS (IN RTA) FOR ADDITIONAL ARMS AND EQUIPMENT FOR THOSE UNITS WHICH ARE SHORT, AND REQUIREMENTS EXIST TO REPLACE CERTAIN ITEMS SO THAT UNITS ARE FULLY SECRET SECRET

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EQUIPPED WITH SUFFICIENT MODERN WEAPONS TO ASSIST IN DEVELOPING THE ARMY'S CAPABILITIES IN ITS UNCONVENTIONAL FIGHT TO SUPPRESS INSURGENCY. END QUOTE

COMMENT: THE MAIN PRIORITY FOR THAILAND MAP IS TO IMPROVE THAI ARMED FORCES AS AN EFFECTIVE MILITARY FORCE, WITH EMPHASIS ON THOSE ACTIVITIES WHICH SUPPORT COUNTER-INSURGENCY. THE REDUCTION IN THE FY73 AND FY74 MILITARY ASSISTANCE PROGRAMS TOTALED \$5

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KRIANGSAK PAPER ON MILITARY